

# Auditing Procedures Report

Issued under P.A. 2 of 1968, as amended.

|   |                               |  |                         |
|---|-------------------------------|--|-------------------------|
| Local Government Type<br><input type="checkbox"/> City <input type="checkbox"/> Township <input checked="" type="checkbox"/> Village <input type="checkbox"/> Other |                               | Local Government Name<br><b>Village of Elberta</b>           | County<br><b>Benzie</b> |
| Audit Date<br><b>2/29/04</b>  | Opinion Date<br><b>6/9/04</b> | Date Accountant Report Submitted to State:<br><b>8/31/04</b> |                         |

We have audited the financial statements of this local unit of government and rendered an opinion on financial statements prepared in accordance with the Statements of the Governmental Accounting Standards Board (GASB) and the *Uniform Reporting Format for Financial Statements for Counties and Local Units of Government in Michigan* by the Michigan Department of Treasury.

We affirm that:

1. We have complied with the *Bulletin for the Audits of Local Units of Government in Michigan* as revised.
2. We are certified public accountants registered to practice in Michigan.

We further affirm the following. "Yes" responses have been disclosed in the financial statements, including the notes, or in the report of comments and recommendations

You must check the applicable box for each item below.

- ☐ Yes ☒ No 1. Certain component units/funds/agencies of the local unit are excluded from the financial statements.
- ☒ Yes ☐ No 2. There are accumulated deficits in one or more of this unit's unreserved fund balances/retained earnings (P.A. 275 of 1980).
- ☐ Yes ☒ No 3. There are instances of non-compliance with the Uniform Accounting and Budgeting Act (P.A. 2 of 1968, as amended).
- ☐ Yes ☒ No 4. The local unit has violated the conditions of either an order issued under the Municipal Finance Act or its requirements, or an order issued under the Emergency Municipal Loan Act.
- ☐ Yes ☒ No 5. The local unit holds deposits/investments which do not comply with statutory requirements. (P.A. 20 of 1943, as amended [MCL 129.91], or P.A. 55 of 1982, as amended [MCL 38.1132]).
- ☐ Yes ☒ No 6. The local unit has been delinquent in distributing tax revenues that were collected for another taxing unit.
- ☐ Yes ☒ No 7. The local unit has violated the Constitutional requirement (Article 9, Section 24) to fund current year earned pension benefits (normal costs) in the current year. If the plan is more than 100% funded and the overfunding credits are more than the normal cost requirement, no contributions are due (paid during the year).
- ☐ Yes ☒ No 8. The local unit uses credit cards and has not adopted an applicable policy as required by P.A. 266 of 1995 (MCL 129.241).
- ☐ Yes ☒ No 9. The local unit has not adopted an investment policy as required by P.A. 196 of 1997 (MCL 129.95).

**We have enclosed the following:**

|   | Enclosed | To Be Forwarded | Not Required |
|---|----------|-----------------|--------------|
| The letter of comments and recommendations.                                   | ✓        |                 |              |
| Reports on individual federal financial assistance programs (program audits). |          |                 | ✓            |
| Single Audit Reports (ASLGU).   |          |                 | ✓            |

|  |                            |                        |                     |
|--|----------------------------|------------------------|---------------------|
| Certified Public Accountant (Firm Name)<br><b>Wilson Ward CPA Firm</b> |                            |                        |                     |
| Street Address<br><b>PO Box 205</b>                                    | City<br><b>Interlochen</b> | State<br><b>MI</b>     | ZIP<br><b>49643</b> |
| Accountant Signature<br><i>Wilson Ward CPA Firm</i>                    |                            | Date<br><b>8/31/04</b> |                     |

# VILLAGE OF ELBERTA

## ELBERTA, MICHIGAN

For Year Ended  
February 29, 2004

### Audit Report

Wilson, Ward CPA Firm  
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June 9, 2004

Village Manager  
Village of Elberta  
Elberta, MI

The primary purpose of this letter is to prepare, for management, information which delineates those items encountered during the audit which were either not related to the financial, internal control and compliance reports or were not material enough to comment on relative to them. However, these items might be significant when viewed from a management perspective or in the longer term. This letter is intended only for the use of management and any other parties not informed of these matters might misconstrue their meanings.

Our Responsibility under Generally Accepted Auditing Standards

Our responsibility, as described by professional standards, is to plan and perform our audit to obtain reasonable, but not absolute, assurance that the financial statements are free of material misstatement and are fairly presented in accordance with general accepted accounting principles. Because of the concept of reasonable assurance and because we did not perform a detailed examination of all transactions, there is a risk that material errors, irregularities, or illegal acts, including fraud and defalcations, may exist and not be detected by us.

As part of our audit, we considered the internal control structure of the Village of Elberta. Management has the responsibility for adopting sound accounting policies, for maintaining an adequate and effective system of accounts, for safeguarding assets and for maintaining the structure of the internal control system to help assure the proper recording of transactions. Our consideration of the system of internal control was solely for the purpose of determining our audit procedures and not to provide any assurance concerning such internal control structure.

Significant Accounting Policies

Management has the responsibility for selection of appropriate accounting policies. In accordance with the terms of our engagement, we will advise management of the appropriateness of the accounting policies and their application. The significant accounting policies used by the Village of Elberta are listed in Note 1. No new accounting policies were adopted and the application of existing policies was not changed during the fiscal year. We noted no transactions entered into the Village of Elberta during the year that were both significant and unusual, and of which, under professional standards, we are required to inform you, of transactions for which there is a lack of authoritative guidance or consensus.

## Management Judgements and Accounting Estimates

Some accounting estimates are utilized in financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. Our conclusions regarding the reasonableness of the estimates are based on reviewing and testing the historical data provided by management and using this data to compute the liability.

## Significant Audit Adjustments

For purposes of this letter, professional standards define a significant audit adjustment as a proposed correction of the general purpose financial statements that, in our judgment, may not have been detected except through our auditing procedures. These adjustments may include those proposed by us but not recorded by the Village of Elberta that could potentially cause future financial statements to be materially misstated, even though we have concluded such adjustments are not material to the current financial statements. Our audit adjustments, individually and in the aggregate, have a significant effect on the financial reporting process.

The cooperative attitude of the personnel and the Board was greatly appreciated. The staff has demonstrated their desire to perform their functions in an efficient and proper manner.

There is one area of significant concern:

Comment: The Board has a deficit fund balance.

Recommendation: It should be noted that the fund deficit was not a surprise and the Board was completely aware of the situation. It should also be noted that the recovery from such a deficit will be long a difficult, especially with the problems generated involving the rental of the dockaminiums and the current delays by the Corp of Engineers.

Comment: The park fund is losing money.

Recommendation: Every effort should be made to make this fund an assets to the Village, not a deficit. It is also known that the completion of Phase II will make this a much more serviceable facility.

It was certainly nice to be able to audit in an efficient manner and to have all required records immediately available. This ongoing effort to maintain a positive records management and accounting system is greatly appreciated.

Again, it is important to remember that this report is for information only and provided to management with the sole intent that it can be evaluated with the potential to improve management practices within the Village of Elberta.

Sincerely,

A handwritten signature in black ink that reads "David E. Wilson CPA". The signature is written in a cursive, flowing style.

David E Wilson, CPA

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## Management's Discussion and Analysis

### VILLAGE OF ELBERTA

#### Using the Annual Report

This annual report consists of a series of financial statements. The Statement of Net Assets and the Statement of Activities provide information about the activities of the Village as a whole and present a longer-term view of the Village's finances. Fund financial statements tell how these services were financed in the short-term, as well as what remains for future spending. Fund financial statements also report the Village's operations in more detail than the government-wide financial statements.

#### The Village as a Whole

The Village's combined net assets decreased 10% from a year ago - decreasing from \$1,952,702 to \$1,754,692. This was primarily caused by projects completed in the past that are still impacting the Village's present assets.

General Government expenses decreased by about 225,000 during the year. This was due to the need to economize given the problem with capital outlays.

The Village is in the process of formulating a plan to address and improve the Village's present financial climate.

#### Business-Type Activities

The Village's business-type activities consist of the Water and Sewer Fund. The Village provides water from the Village water system, to approximately 90% of the Village's residents. The Village also provides sewage treatment to approximately 95% of Village residents through the Betsie Lake Utilities Authority sewage treatment plant.

#### The Village's Funds

Our analysis of the Village's major funds begins on page 9 following the entity wide financial statements. The fund financial statements provide detail information about the most significant funds, not the Village as a whole. The Village Board creates funds to help manage money for specific purposes as well as to show accountability for certain activities such as special property tax millages.

The General Fund pays for most of the Village's governmental services. The amount transferred to the General fund is supported by detailed calculation of the current year costs of the specific

capital outlay approved by the Village Board.

#### General Fund Budgetary Highlights

Over the course of the year, the Village Board continued to face a major fiscal crisis caused by past village projects that were plagued with problems resulting in cost overruns. Village Departments overall succeeded in staying within their allotted budgets, resulting in total expenditures being \$106,964 below budget.

The Village is continuing to battle the spiraling monthly sewage charges which are the result of large amounts of ground water infiltrating the Village's antiquated sewer system.

#### Capital Asset and Debt Administration

At the end of 2004, the Village had \$1,059,998 invested in a broad range of capital assets, including buildings, sewer and water lines. In addition the Village has invested significantly in major and local streets within the Village. These assets are not reported in the Village's financial statements because of Michigan law which makes these roads the property of the County Road Commission (along with the responsibility to maintain them).

#### Economic Factors and Next Year's Budgets and Rates

The Village's budget for 2004-2005 is reflective of the Village's financial difficulties. The budget has been cut back to allow for an improvement in the Village's assets and subsequent financial recovery. The Village is watching its budget carefully and expects with careful planning to see a complete financial recuperation.

#### Contacting the Village's Management

This financial report is intended to provide our citizens, taxpayer, customers and investors with a general overview of the Village's finances and to show the Village's accountability for the money it receives. If you have any questions about this report or need additional information we welcome you to contact the Village Office at (231) 352-7201.

# FINANCIAL STATEMENTS



REPORT ON COMPLIANCE AND ON INTERNAL CONTROL OVER FINANCIAL  
REPORTING BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED  
IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

To the Elberta Village Council  
Elberta, Michigan

We have audited the general purpose financial statements of the Village of Elberta, Michigan as of and for the year ended February 29, 2004, and have issued our report thereon dated June 9, 2009. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

**Compliance**

As part of obtaining reasonable assurance about whether the Village of Elberta, Michigan's general purpose financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under *Government Auditing Standards*. However, we noted certain immaterial instances of noncompliance that we have reported to management of the Village of Elberta, Michigan in a separate letter dated June 9, 2004.

**Internal Control Over Financial Reporting**

In planning and performing our audit, we considered the Village of Elberta, Michigan's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the general purpose financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the general purpose financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses. However, we noted other matters involving the internal control over financial reporting that we have reported to management of the Village of Elberta, Michigan in a separate letter dated June 9, 2004.

This report is intended solely for the information and use of the management, others within the organization, Village Council, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

*Wilson Ward CPA Firm*

Interlochen, MI  
June 9, 2004

INDEPENDENT AUDITOR'S REPORT

To the Village Board  
Village of Elberta  
Elberta, Michigan

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Village of Elberta, Michigan as of and for the year ended February 29, 2004, which collectively comprise the Village's basic financial statements as listed in the table of contents. These general purpose financial statements are the responsibility of the Village of Shepherd, Michigan's management. Our responsibility is to express an opinion on these general purpose financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and *Government Auditing Standards* issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the general purpose financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the general purpose financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall general purpose financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the general purpose financial statements referred to above present fairly, in all material respects, the financial position of the governmental activities, each major fund and the aggregate remaining fund information of the Village of Elberta, Michigan as of February 29, 2004, and the results of its operations and cash flows of its proprietary fund types and nonexpendable trust funds for the year then ended in conformity with accounting principles generally accepted in the United States of America.

As described in Note 1, the Village has implemented a new financial reporting model, as required by the provisions of the GASB Statement No 34, *Basic Financial Statements - and Managements discussion and Analysis - for State and Local Governments*, as of March 1, 2002

In accordance with *Government Auditing Standards*, we have also issued a report dated June 9, 2004 on the Village of Elberta's internal control and compliance with laws and regulations.

*Wilson Ward CPA Firm*

Interlochen, MI  
June 9, 2004

VILLAGE OF ELBERTA  
BALANCE SHEET  
FEBRUARY 29, 2004

|   | Primary Government      |                          |             | Component Unit |
|---|-------------------------|--------------------------|-------------|----------------|
|   | Governmental Activities | Business-type Activities | Total       |                |
| <b>ASSETS</b>                                   |                         |                          |             |                |
| Cash, investments and cash equivalents          | (\$304,005)             | \$462,214                | \$158,209   | \$8,998        |
| Receivables (net)                               | 2,584                   | 6,701                    | 9,285       |                |
| Prepaid Expenditures                            | 3,487                   |                          | 3,487       |                |
| Internal balances                               | 39,871                  | 23,558                   | 63,429      |                |
| Inventories                                     |                         |                          | 0           |                |
| Capital Assets, net (Note 9)                    | 756,415                 | 973,778                  | 1,730,193   |                |
| Total Assets                                    | 498,352                 | 1,466,252                | 1,964,604   | 8,998          |
| <b>LIABILITIES</b>                              |                         |                          |             |                |
| Accounts payable                                | 8,012                   | 3,490                    | 11,502      |                |
| Deferred revenue                                | 2,524                   | (26)                     | 2,498       |                |
| Due to Other Agencies                           | 53,213                  | 2,699                    | 55,912      |                |
| Noncurrent liabilities (Note 2):                |                         |                          | 0           |                |
| Due within one year                             |                         | 2,000                    | 2,000       |                |
| Due in more than one year                       |                         | 138,000                  | 138,000     |                |
| Total Liabilities                               | 63,749                  | 146,163                  | 209,912     |                |
| <b>NET ASSETS</b>                               |                         |                          |             |                |
| Invested in capital assets, net of related debt | 756,415                 |                          | 756,415     |                |
| Restricted for:                                 |                         |                          |             |                |
| Capital projects                                |                         |                          | 0           |                |
| Debt Service                                    |                         | 33,067                   | 33,067      |                |
| Unrestricted (deficit)                          | (321,812)               | 1,287,022                | 965,210     | 8,998          |
| Total Net Assets                                | 434,603                 | 1,320,089                | 1,754,692   | 8,998          |
| Total Liabilities and Net Assets                | 498,352                 | \$1,466,252              | \$1,964,604 | \$8,998        |

The footnotes are an integral part of these Financial Statements.

VILLAGE OF ELBERTA  
STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED FEBRUARY 29, 2004

| Functions/Programs                                 | Program Revenues |           |               |               | Net (Expense) Revenue and |                               |
|--|------------------|-----------|---------------|---------------|---------------------------|-------------------------------|
|  | Charges for      | Operating | Capital       |               | Changes in Net Assets     |                               |
|  | Expenses         | Services  | Contributions | Grants and    | Governmental              | Business-type                 |
|  |                  |           |               | Contributions | Activities                | Activities                    |
|  |                  |           |               |               |                           | Total                         |
| Primary government                                 |                  |           |               |               |                           |                               |
| Governmental activities:                           |                  |           |               |               |                           |                               |
| Legislative  |                  |           |               |               |                           |                               |
| General government                                 | \$227,305        | \$280     | \$29,314      |               | (\$197,711)               | (\$197,711)                   |
| Public safety                                      | 36,509           | 14,191    |               |               | (22,318)                  | (22,318)                      |
| Public works                                       | 157,464          | 0         |               |               | (157,464)                 | (157,464)                     |
| Health and Welfare                                 | 8,865            |           |               |               | (8,865)                   | (8,865)                       |
| Community and Economic Development                 | 0                |           |               |               | 0                         | 0                             |
| Recreation and Culture                             | 0                |           |               |               | 0                         | 0                             |
| Other  | 26,427           |           |               |               | (26,427)                  | 0                             |
| Interest on Long Term Debt                         | 0                |           |               |               | 0                         | 0                             |
| Total Governmental Activities                      | 456,570          | 14,471    | 29,314        | 0             | (412,785)                 | 0 (412,785)                   |
| Business Type Activities                           |                  |           |               |               |                           |                               |
| Enterprise Funds                                   |                  |           |               |               |                           |                               |
| Total Primary Government                           | 196,745          | 192,562   |               |               | (4,183)                   | (4,183)                       |
|  | 653,315          | 207,033   | 29,314        | 0             | (412,785)                 | (416,968)                     |
| Component Unit                                     |                  |           |               |               |                           |                               |
| EDC  | \$9,196          |           | \$7,156       |               |                           | (\$2,040)                     |
| General revenues:                                  |                  |           |               |               |                           |                               |
| Taxes  |                  |           |               |               |                           |                               |
| Property Taxes-general                             |                  |           |               |               | \$87,646                  | \$102,055                     |
| Property Taxes-debt service                        |                  |           |               |               | 0                         | 0                             |
| State-Shared Revenues                              |                  |           |               |               | 108,768                   | 108,768                       |
| Unrestricted Investment Earnings                   |                  |           |               |               | 25,375                    | 17,972                        |
| Franchise taxes                                    |                  |           |               |               | 0                         | 0                             |
| Contributions                                      |                  |           |               |               | 0                         | 0                             |
| Miscellaneous                                      |                  |           |               |               | 22,277                    | 25,938                        |
| Transfers  |                  |           |               |               | (4,700)                   | 4,700                         |
| Total General Revenues-Special Items and Transfers |                  |           |               |               | 239,366                   | 254,733                       |
| Changes in Net Assets                              |                  |           |               |               | (173,419)                 | (162,235) (1,966)             |
| Net Assets - Beginning                             |                  |           |               |               | (129,668)                 | 1,275,838 1,146,170 10,964    |
| Net Assets - Ending                                |                  |           |               |               | (\$303,087)               | \$1,287,022 \$983,935 \$8,998 |

The footnotes are an integral part of these Financial Statements.

VILLAGE OF ELBERTA  
BALANCE SHEET  
GOVERNMENTAL FUNDS  
FEBRUARY 29, 2004

| ASSETS                                 | General<br>Fund  | Other<br>Non-major<br>Funds | Total            |
|--|------------------|-----------------------------|------------------|
| Cash, investments and cash equivalents | (\$414,305)      | \$110,300                   | (\$304,005)      |
| Receivables (net)                      | 1,181            | 1,403                       | 2,584            |
| Prepaid Expenditures                   | 3,487            |                             | 3,487            |
| Internal balances                      | 2,267            | 37,604                      | 39,871           |
| Inventories                            |                  |                             | 0                |
| Capital Assets, net (Note 1)           |                  |                             | 0                |
| Total Assets                           | <u>(407,370)</u> | <u>149,307</u>              | <u>(258,063)</u> |

| LIABILITIES                      |               |              |               |
|----------------------------------|---------------|--------------|---------------|
| Accounts payable                 | 7,573         | 0            | 7,573         |
| Internal balances                | 53,213        |              |               |
| Accrued payables                 | 439           |              |               |
| Deferred revenue                 | 1,121         | 1,403        | 2,524         |
| Noncurrent liabilities (Note 2): |               |              | 0             |
| Due within one year              |               |              | 0             |
| Due in more than one year        |               |              | 0             |
| Total Liabilities                | <u>62,346</u> | <u>1,403</u> | <u>63,749</u> |

|   |                  |                  |                    |
|---|------------------|------------------|--------------------|
| NET ASSETS                                      |                  |                  |                    |
| Invested in capital assets, net of related debt |                  |                  |                    |
| Restricted for:                                 |                  |                  |                    |
| Capital projects                                |                  |                  | 0                  |
| Debt Service                                    |                  |                  | 0                  |
| Unrestricted (deficit)                          | (469,716)        | 147,904          | (321,812)          |
| Total Net Assets                                | <u>(469,716)</u> | <u>147,904</u>   | <u>(321,812)</u>   |
| Total Liabilities and Net Assets                | <u>(407,370)</u> | <u>\$149,307</u> | <u>(\$258,063)</u> |

Amounts reported for Governmental Funds Balance Sheet are different because:

|  |                  |
|--|------------------|
| Balance per above                            | (\$258,063)      |
| Add Capital Assets                           | 756,415          |
| Less Current Portion of Long Term Debt       |                  |
| Balance per Governmental Funds Balance Sheet | <u>\$498,352</u> |

The footnotes are an integral part of these Financial Statements.

VILLAGE OF ELBERTA  
STATEMENT OF REVENUE, EXPENDITURES, AND  
CHANGES IN FUND BALANCE - GOVERNMENTAL FUNDS  
YEAR ENDED FEBRUARY 29, 2004

|   | General<br>Fund    | Non-Major<br>Governmental<br>Funds | Total<br>Governmental<br>Funds |
|---|--------------------|------------------------------------|--------------------------------|
| <b>Revenues</b>   |                    |                                    |                                |
| Taxes and Penalties   | \$62,750           | \$24,896                           | \$87,646                       |
| Licenses and Permits  | 280                |                                    | 280                            |
| Federal Grants  |                    |                                    | 0                              |
| State Grants  | 86,948             | 46,820                             | 133,768                        |
| Charges for Services  | 14,191             |                                    | 14,191                         |
| Fines and Forfeits  |                    |                                    | 0                              |
| Interest and Rentals  | 23,702             | 1,673                              | 25,375                         |
| Other Revenue   | <u>22,277</u>      | <u>4,964</u>                       | <u>27,241</u>                  |
| <b>Total Revenues</b>   | 210,148            | 76,353                             | 286,501                        |
| <b>Expenditures</b>   |                    |                                    |                                |
| Current   |                    |                                    |                                |
| Legislative   | 227,305            |                                    | 227,305                        |
| General Government  | 36,509             |                                    | 36,509                         |
| Public Safety   | 84,281             | 73,183                             | 157,464                        |
| Public Works  | 8,865              | 0                                  | 8,865                          |
| Health and Welfare  | 0                  |                                    | 0                              |
| Recreation and Cultural   | 0                  | 26,427                             | 26,427                         |
| Other   | 0                  | 0                                  | 0                              |
| Capital Outlay  | 0                  |                                    | 0                              |
| Debt Service  |                    |                                    | 0                              |
| <b>Total Expenditures</b>   | 356,960            | 99,610                             | 456,570                        |
| <b>Excess of Revenues Over (Under) Expenditures</b>   | (146,812)          | (21,257)                           | (168,069)                      |
| Other Financing Sources (Uses)  |                    |                                    |                                |
| Transfers In  | 0                  | 34,449                             | 34,449                         |
| Transfers (Out)   | (39,149)           | 0                                  | (39,149)                       |
| Bond Proceeds   | 0                  |                                    | 0                              |
| <b>Total Other Financing Sources (Uses)</b>   | (39,149)           | 34,449                             | (4,700)                        |
| <b>Excess of Revenue and Other Sources Over (Under) Expenditures and Other Uses</b>   | (185,961)          | 13,192                             | (172,769)                      |
| Fund Balance March 1, 2003  | (283,755)          | 134,712                            | (149,043)                      |
| Fund Balance February 29, 2004  | <u>(\$469,716)</u> | <u>\$147,904</u>                   | <u>(\$321,812)</u>             |
| Amounts reported for governmental activities in the statement of activities are different because:  |                    |                                    |                                |
| <b>Net Change in Fund Balances - Total Governmental Funds</b>   |                    |                                    | (\$172,769)                    |
| Governmental funds report capital outlays as expenditures; in the statement of activities these costs are allocated over their estimate useful lives as depreciation. |                    | (\$650)                            |                                |
| Repayment of bond principal is an expenditure in governmental funds, but not in the statement of activities.  |                    | 0                                  |                                |
| Changes in compensated absences are recorded when earned.   |                    | 0                                  |                                |
| <b>Change in Net Assets of Governmental Activities</b>  |                    |                                    | (\$173,419)                    |

The footnotes are an integral part of these Financial Statements.

VILLAGE OF ELBERTA, MICHIGAN  
Comparative Combined Statement of Revenues, Expenditures and  
Changes in Retained Earnings  
All Proprietary Fund Types  
For the Year Ended February 29, 2004

|                                    | 2003               | 2004               |
|------------------------------------|--------------------|--------------------|
| <b>ASSETS</b>                      |                    |                    |
| Cash                               | \$429,838          | \$462,214          |
| Account Receivable - Trade         | 2,993              | 2,346              |
| Account Receivable - Grant         | 0                  | 0                  |
| Due From Other Funds               | 23,558             | 23,558             |
| Taxes Receivable                   | 1,693              | 4,355              |
| Property, Plant & Equipment        | 1,418,710          | 1,418,709          |
| Less: Accumulated Depreciation     | <u>(417,332)</u>   | <u>(444,931)</u>   |
| Total Assets                       | <u>1,459,461</u>   | <u>1,466,252</u>   |
| <b>LIABILITIES AND FUND EQUITY</b> |                    |                    |
| <b>LIABILITIES:</b>                |                    |                    |
| Accounts Payable                   | 690                | 689                |
| Deferred Revenue                   | 1,312              | (26)               |
| Security Deposits                  | 0                  | 0                  |
| Accrued Interest Payable           | 3,855              | 2,801              |
| Due To Other Funds                 | 2,699              | 2,699              |
| Bonds Payable                      | <u>142,000</u>     | <u>140,000</u>     |
| Total Liabilities                  | <u>150,556</u>     | <u>146,163</u>     |
| <b>FUND EQUITY:</b>                |                    |                    |
| Retained Earnings                  |                    |                    |
| Unreserved                         | 1,275,838          | 1,287,022          |
| Reserved                           | <u>33,067</u>      | <u>33,067</u>      |
| Total Fund Equity                  | <u>1,308,905</u>   | <u>1,320,089</u>   |
| Total Liabilities and Fund Equity  | <u>\$1,459,461</u> | <u>\$1,466,252</u> |

The footnotes are an integral part of these Financial Statements.

VILLAGE OF ELBERTA, MICHIGAN  
Comparative Combined Statement of Revenues, Expenditures and  
Changes in Retained Earnings  
All Proprietary Fund Types  
For the Year Ended February 29, 2004

|                                      | Proprietary<br>Fund Types<br>Enterprise<br>(Memo Only) |             |
|--------------------------------------|--|-------------|
|                                      | 2004   | 2003        |
| OPERATING REVENUES                   |  |             |
| Charges for Service                  | \$192,562  | \$199,461   |
| Taxes                                | 14,409   | 16,463      |
| Refunds and Other                    | 3,661  | 472         |
| Total Operating Revenues             | 210,632  | 216,396     |
| OPERATING EXPENDITURES               |  |             |
| Operation and Maintenance            | 148,681  | 174,525     |
| Interest Expense                     | 0  | 0           |
| Administration                       | 20,474   | 14,278      |
| Depreciation                         | 27,590   | 27,590      |
| Total Operating Expenditures         | 196,745  | 216,393     |
| Operating Income (Loss)              | 13,887   | 3           |
| NON-OPERATING INCOME (EXPENSE)       |  |             |
| Interest Expense and Fees            | 1,117  | 442         |
| Interest on Investments              | (8,520)  | (8,760)     |
| Proceeds from Grant                  | 0  |             |
| Transfers In (Out)                   | 4,700  | 6,500       |
| Total Non-Operating Income (Expense) | (2,703)  | (1,818)     |
| NET INCOME (LOSS)                    | 11,184   | (1,815)     |
| RETAINED EARNINGS, BEGINNING         | 1,275,838  | 1,277,653   |
| Prior Period Adjustment              | 0  | 0           |
| RETAINED EARNINGS, ENDING            | \$1,287,022  | \$1,275,838 |

The footnotes are an integral part of these Financial Statements.



VILLAGE OF ELBERTA, MICHIGAN  
Combined Statement of Cash Flows  
All Proprietary Fund Types  
For the Year Ended February 29, 2004

|   | <u>Proprietary<br/>Fund Types</u> |
|---|-----------------------------------|
|   | <u>Enterprise</u>                 |
| CASH FLOWS FROM OPERATING ACTIVITIES  |                                   |
| Net Operating Income  | \$13,887                          |
| Adjustments to Reconcile Net Operating Income to<br>Net Cash Provided by Operating Activities |                                   |
| Depreciation  | 27,590                            |
| (Increase) Decrease in Account Receivables - Trade  | 647                               |
| (Increase) Decrease in Grant Receivable   | 0                                 |
| (Increase) Decrease in Property Taxes Receivable  | (2,662)                           |
| (Increase) Decrease in Due From Other Funds   | 0                                 |
| Increase (Decrease) in Deferred Revenue   | (1,338)                           |
| Increase (Decrease) in Accounts Payable   | 0                                 |
| Increase (Decrease) in Security Deposits  | 0                                 |
| Increase ( Decrease) in Accrued Interest Payable  | (1,054)                           |
| Increase (Decrease) in Due to Other Funds   | <u>0</u>                          |
| Net Cash Provided by Operating Activities   | <u>37,070</u>                     |
| CASH FLOWS FROM INVESTING ACTIVITIES  |                                   |
| Interest on Investments   | (7,403)                           |
| Change in Deposits  | 4,700                             |
| Net Cash Provided by Investing Activities   | <u>(2,703)</u>                    |
| CASH FLOWS FROM FINANCING ACTIVITIES  |                                   |
| Interest paid on Long-Term Debt   | 0                                 |
| Principal paid on Long-Term Debt  | 2,000                             |
| Change in Prior Period Adjustments  | <u>0</u>                          |
| Net Cash Used by Financing Activities   | <u>2,000</u>                      |
| TRANSFERS IN / (OUT)  |                                   |
| NET INCREASE IN CASH AND EQUIVALENTS  | 36,367                            |
| CASH AND EQUIVALENTS, BEGINNING   | <u>429,838</u>                    |
| CASH AND EQUIVALENTS, ENDING  | <u><u>\$466,205</u></u>           |

The footnotes are an integral part of these Financial Statements.

VILLAGE OF ELBERTA, MICHIGAN  
NOTES TO FINANCIAL STATEMENTS

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Village of Elberta, Benzie County, was incorporated in 1894 and covers an area of approximately 3.5 square miles. The Village operates under an elected Village Council of 7 members and provides services to its more than 457 residents in many areas including fire protection, water and sewer services, community enrichment and development, and human services.

Presentation

The government-wide financial statements report information on all of the nonfiduciary activities of the primary government. The effect of interfund activity has been removed from these statements. Governmental activities, normally supported by taxes and intergovernmental revenues, are reported separately from business-type activities which rely significantly on fees and charges for support.

The statement of activities demonstrates the degree direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include: (1) charges to customers or recipients who purchase, use, or benefit from the goods and services provided by the various function or segment; and (2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported as general revenue.

Separate financial statements are provided for governmental funds, proprietary funds and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

REPORTING ENTITY

As defined by the Governmental Accounting Standards Board Statement 1, all relevant criteria was reviewed in an attempt to decide if other entities ought to be included in this audit report. If certain oversight responsibility occurs, that subordinate entity activity should be noted in this report. Oversight responsibility is evidenced by:

- selection of governing authority
- designation of management
- ability to significantly influence operations
- budgetary authority
- responsibility to fund deficits or receive surplus funds
- fiscal management
- providing significant subsidies

Based on our review, conducted in accordance with GASB 14 and Michigan Department of Treasury Statement on Michigan Governmental Accounting and Auditing No 5, this report excludes the Economic Development Corporation and as such it is presented as a component unit. Its board is appointed by several related units and maintains financial control separate from the Village.

This report does not include: - Betsie Lake Utilities Authority

## BASIS OF PRESENTATION

The financial activities of the local unit are recorded in separate funds and account groups, categorized and described as follows:

### GOVERNMENTAL FUND TYPES

General Fund - This fund is used to account for all financial transactions not accounted for in another fund, included the general operating expenditures of the local unit. Revenues are derived primarily from property taxes, state and federal distributions, grants and other intergovernmental revenues.

Special Revenue Funds - These funds are used to account for the proceeds of specific revenue sources (other than special assessments, expendable trusts, or major capital projects) that are legally restricted for specific purposes. These funds include the Major and Local Street Funds and Liquor Control Fund.

### PROPRIETARY FUND TYPE

Enterprise Funds - These funds report operations that provide services which are financed primarily by user charges, or activities where periodic measurement of net income is appropriate for capital maintenance, public policy, management control or other purposes. The Village's Sewer, Water, Rubbish and Marina Funds are Enterprise Funds.

### ACCOUNT GROUPS

General Fixed Assets Account Group - This account group presents the fixed assets of the local unit utilized in its general operations (non-proprietary fixed assets).

General Long-Term Debt Account Group - This account group presents the balance of general obligation long-term debt which is not recorded in Proprietary Funds.

### MEASUREMENT FOCUS

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary and Trust and Agency fund financial statements. Revenue is recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenue in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenue is recognized as soon as it is both measurable and available. Revenue is considered to be available if it is collected within the current period or soon enough to pay liabilities of the current period. For this purpose, the Village considers revenues to be available if they are collected within 30 days of the end of the current fiscal year. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, expenditures relating to compensated absences, and claims and judgments are recorded only when payment is due.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are charges between the Village's water and sewer function and various other functions of the government. Elimination of these would distort the direct costs and program revenues reported for the various functions concerned.

Amounts reported as program revenue include: (1) charges to customers or applicants for goods, services, or privileges provided; (2) contributions. Internally dedicated resources are reported as general revenue rather than as program revenue. Likewise, general revenue includes all taxes

## BASIS OF ACCOUNTING

All governmental funds utilize the modified accrual basis of accounting as described in GASB #1. Under this method, revenues are recognized when received in cash except for those susceptible to accrual, which are recorded as receivable.

Significant revenues susceptible to accrual include property taxes, expenditures reimbursement type grants, certain intergovernmental revenues and operating transfers. Expenditures are recorded when the liability is incurred, except for interest on long-term debt, which is recorded when paid.

The financial statements of proprietary funds are reflected on the accrual basis and recorded as incurred.

## USE OF ESTIMATES

The process of preparing financial statements in conformity with generally accepted accounting principles requires the use of estimates and assumptions regarding certain types of assets, liabilities, revenues and expenses. Such estimates primarily relate to unsettled transactions and events as of the date of the financial statements. Accordingly, upon settlement, actual results may differ from estimated amounts.

## BUDGETS AND BUDGETARY ACCOUNTING

The General Fund and Special Revenue Funds are under formal budgetary control. Budgets shown in the financial statements for these were prepared on a basis not significantly different from modified accrual basis used to reflect actual results.

In the body of the financial statements, the Village's actual expenditures and budgeted expenditures for the budgetary funds have been shown on an account or line-item basis. The approved budgets of the Village for these budgetary funds were adopted to the activity level, or by total fund revenue/expenditures for the smaller funds.

## ACCUMULATED FUND DEFICITS

The General Fund has had an accumulated deficit. This has been created through the payment for capital items in regards to the community park renovation project. The fund deficit totaled \$469,716.

## COMPARATIVE DATA

Comparative total data for the prior year have been presented in the accompanying financial statements in order to provide an understanding of changes in the Villages financial position and operations.

## SICK AND VACATION LEAVE

Village employees can accumulate six (6) sick days annually. Sick leave is non-cumulative and must be used by fiscal year end or it is lost without reimbursement to the employee.

Vacation leave is accumulated by Village employees at the rate of one (1) week per year for one through five years of service with the Village, two (2) weeks per year for six through ten years of service and three (3) weeks per year for employees with more than ten years of service with the Village. Village employees are eligible for vacation leave after 100 days of service with the Village. The vacation time is used within the current fiscal year.

## PENSION/RETIREMENT PLAN

The Village does not provides a pension plan for employees or council members but makes contributions through contribution to an IRS Code Section 457 plan which is maintained by ICMA Retirement Corporation. There are no post retirement benefits.

## NOTE 2 - DEPOSITS WITH FINANCIAL INSTITUTIONS

### A. Legal or Contractual Provisions for Deposits and Investments

The Michigan Political Subdivisions Act No. 20, Public Acts of 1943, as amended by Act No. 217, Public Acts of 1982, states the Authority by which Treasurers may invest funds and includes the following:

- a) Bonds, securities, and other obligations of the United States or an agency or instrumentality of the United States.
  - b) Certificates of deposit, savings accounts, deposit accounts, or depository receipts of a financial institution, but only if the financial institution is eligible to be a depository of funds belonging to the state under a law or rule of this state or the United States.
  - c) Commercial paper rated at the time of purchase within the 2 highest classifications established by not less than 2 standard rating services and that matures not more than 270 days after the date of purchase.
  - d) Repurchase agreements consisting of instruments listed in subdivision (a).
  - e) Bankers' acceptances of United States banks.
  - f) Obligations of this state or any of its political subdivisions that at the time of purchase are rated as investment grade by not less than 1 standard rating service.
  - g) Mutual funds registered under the investment company act of 1940, title I of chapter 686, 54 Stat. 789, 15 USC 80a-1 to 80a-3 and 80a-4 to 80a-64, with authority to purchase only investment vehicles that are legal for direct investment by a public corporation. However, a mutual fund is not disqualified as a permissible investment solely by reason of either of the following:
    - i) The purchase of securities on a when-issued or delayed delivery basis.
    - ii) The ability to lend portfolio securities as long as the mutual fund receives collateral at all times equal to at least 100% of the value of the securities loaned.
    - iii) The limited ability to borrow and pledge a like portion of the portfolio's assets for temporary or emergency purposes.
  - h) Obligations described in subdivisions (a) through (g) if purchased through an interlocal agreement under the urban cooperation act of 1967.
  - i) Investment pools organized under the surplus funds investment pool act, 1982 PA 367.
  - j) The investment pools organized under the local government investment pool act, 1985 PA 121.
- In bonds, securities and other obligations of the United States, or an agency or instrumentality of the United States, in which the principal and interest is fully guaranteed by the United States.

- B. Types of Deposits: The Village maintains it's cash deposits in four institutions. The following table categorizes the Village's deposits into the various degrees of security associated with the deposits:

|                                  | <u>Checking and Savings</u> | <u>Bank Value</u> |
|----------------------------------|-----------------------------|-------------------|
| Insured but not Collateralized   | \$ 46,156                   | \$ 61,775         |
| Unsecured and not collateralized | <u>0</u>                    | <u>0</u>          |
| Total                            | \$ 46,156                   | \$ 61,775         |
| Certificates of Deposit          | \$105,286                   | \$105,286         |

The fair market value of the certificates of deposit approximates the face value.

### NOTE 3 - TOTAL COLUMN ON COMBINED STATEMENT - OVERVIEW

The total columns on the Combined Statement - Overview is captioned "Memorandum Only" to indicate that they are presented only to facilitate financial analysis. Data in these columns do not represent financial position, results of operations, or changes in cash flows in conformity with generally accepted accounting principles. Neither is such data comparable to a consolidation. Interfund eliminations have not been made in the segregation of this data.

### NOTE 4 - INVENTORIES

The village does not maintain any material inventories.

### NOTE 5 - PROPERTY TAX RECOGNITION

Generally accepted accounting principles require revenues to be recognized in the accounting period in which they become measurable and available. "Available" means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. For property taxes this is deemed to be received within 60 days. The remainder of an delinquent receivables for property tax are classified as Deferred Taxes rather than revenue. Properties are assessed as of December 31, and the related property taxes become a lien on July 1 of the following year. These taxes are due on September 15, with the final collection date of September 14 before they are added to the County tax delinquent rolls.

### NOTE 6 - OPERATING TRANSFERS

There were no operating transfers during the year except for that amount required to zero the fund balance of the liquor fund which has been continuously operating at a deficit. Monies transferred between various funds are offset by the appropriate interfund receivable.

### NOTE 7 - SEWER SYSTEM BONDS

On October 4 1989, the Village Council approved the sale of \$164,000 General Obligation Unlimited Tax Sewage Disposal System Bonds series 1989. The bonds are to be repaid with principal payments due on October 1 of each year and interest at 6% to be paid semi-annually.

Amounts needed to amortize the debt through the year 2029 are as follows:

| Fiscal Year            | Principal      | Interest       | Total<br>Requirement |
|------------------------|----------------|----------------|----------------------|
| 2004                   | 2,000          | 8,400          | 10,400               |
| 2005                   | 2,000          | 8,280          | 10,280               |
| 2006                   | 3,000          | 8,160          | 11,160               |
| 2007                   | 3,000          | 7,920          | 10,920               |
| 2008                   | 3,000          | 7,800          | 10,800               |
| 2009-2013              | 18,000         | 36,120         | 54,120               |
| 2014-2018              | 27,000         | 29,640         | 56,640               |
| 2019-2023              | 34,000         | 20,640         | 54,640               |
| 2024-2028              | 40,000         | 9,600          | 49,600               |
| 2029                   | 8,000          | 240            | 8,240                |
| Total                  | <u>140,000</u> | <u>136,800</u> | <u>276,800</u>       |
| Debt Beginning of Year |                | 142,000        |                      |
| Payment                |                | <u>(2,000)</u> |                      |
| Debt at end of Year    |                | <u>140,000</u> |                      |

## NOTE 8 - INTERFUND RECEIVABLE AND PAYABLE

The following are the interfund receivable and payables at February 28, 2004.

|                 | <u>Due To</u>         | <u>Due From</u>     |
|-----------------|-----------------------|---------------------|
| General Fund:   | Water Fund 5,000      |                     |
|                 | Sewer Fund 3,216      |                     |
|                 | Rubbish Fund 7,440    |                     |
|                 | Major Street 1,619    |                     |
|                 | Local Street 904      |                     |
|                 | Liquor Control 25,154 |                     |
|                 |                       | Sewer Fund 2,267    |
| Sewer Fund:     | General Fund 2,267    |                     |
|                 |                       | General Fund 3,216  |
|                 |                       | Water 432           |
|                 |                       | General Fund 7,440  |
| Rubbish Fund:   |                       |                     |
| Water Fund:     | Sewer Fund 432        |                     |
|                 |                       | General Fund 5,000  |
| Major Street:   |                       | General Fund 1,619  |
| Local Street:   |                       | General Fund 904    |
| Liquor Control: |                       | General Fund 25,154 |

## NOTE 9 - ACCOUNTS RECEIVABLE AND DUE FROM OTHER GOVERNMENTAL UNITS

Following is a schedule of receivables at February 28, 2004:

|                              |              |
|------------------------------|--------------|
| General Fund                 |              |
| Taxes                        | <u>1,181</u> |
| Total General Fund           | 1,181        |
| Special Revenue Funds        |              |
| Receivable                   | 30,087       |
| Taxes                        | <u>1,403</u> |
| Total Special Revenue Funds  | 31,490       |
| Enterprise Funds             |              |
| Utility customers receivable | <u>2,346</u> |
| Total Enterprise Funds       | 2,346        |
| Total                        | <u>4,930</u> |

## NOTE 10 - CAPITAL ASSETS

General Fixed Assets have been acquired for general Village purposes and at the time of purchase were recorded as expenditures. The assets have been capitalized in a General Fixed Asset Group of Accounts.

|             | Assets    |           |           |           | Accumulated  |           |           |         |
|-------------|-----------|-----------|-----------|-----------|--------------|-----------|-----------|---------|
|             | Balance   | Additions | Deletions | Balance   | Depreciation | Additions | Deletions | Balance |
|             |           |           |           |           | Balance      |           |           |         |
| Real Estate | 246,101   |           |           | 246,101   |              |           |           |         |
| Buildings   | 681,597   |           |           | 681,597   | 154,976      | 16,307    |           | 171,283 |
| Equipment   | 132,300   |           |           | 132,300   | 132,000      | 0         |           | 132,000 |
| Total       | 1,059,998 |           |           | 1,059,998 | 286,976      | 16,307    |           | 303,283 |

#### NOTE 11 - RETAINED EARNINGS AND PRIOR PERIOD ADJUSTMENTS

The \$18,423 represents equity reserved for Retirement of Bond Debt.

The General Fund has a prior period adjustment which constitutes expensing of the accounts receivable for expenditures occurring in the development of the park.

#### NOTE 12 - DEFICIT FUNDS AND EXPENDITURES IN EXCESS OF APPROPRIATIONS

Public Act 621 of 1978, requires that a municipality shall not incur expenditures in excess of the monies appropriated. No activity expended amounts greater than appropriations:

#### NOTE 13 - CONTRIBUTIONS TO OTHER GOVERNMENTS

The Village of Elberta has entered into a long-term agreement with the Betsie Lake Utility Authority for the Authority to provide sewage treatment facilities. The Village's Sewer Fund is obligated to pay 30.3% of the required annual debt and reserve payments. The debt and debt structure are contained within the Betsie Lake Utility Authority which is audited annually under a separate report.

#### NOTE 14 - RISK MANAGEMENT

All risks are covered through the use of commercial insurance.



# SUPPLEMENTAL STATEMENTS

**WILSON, WARD CPA FIRM**

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Interlochen, MI 49643

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To the Elberta Village Council  
Elberta, MI

We have audited the combined financial statements of the Village of Elberta, Michigan for the year ended February 29, 2004. Our audits were made for the purpose of forming an opinion on the combined financial statements taken as a whole. The accompanying schedules, as listed in the table of contents, are presented for purposes of the additional analysis and are not a required part of the combined financials statements. Such information has been subjected to the auditing procedures applied in the audits of the combined financial statements and, in our opinion, is fairly stated in all material respects in relation to the combined financial statements taken as a whole.

*Wilson Ward CPA Firm*

Interlochen, MI  
June 9, 2004

VILLAGE OF ELBERTA, MICHIGAN  
Combining Balance Sheet  
All Special Revenue Funds  
February 29, 2003 & 2004

|                                    | Major<br>Street<br>Fund | 2004     | 2003     | Local<br>Street<br>Fund | 2004       | 2003       | Liquor<br>Control<br>Fund | 2004 | 2003 | Library<br>Fund | 2004  | 2003    | Parks and<br>Recreation<br>Fund | 2004      | 2003      | Total<br>(Memo Only) |
|------------------------------------|-------------------------|----------|----------|-------------------------|------------|------------|---------------------------|------|------|-----------------|-------|---------|---------------------------------|-----------|-----------|----------------------|
| <b>ASSETS</b>                      |                         |          |          |                         |            |            |                           |      |      |                 |       |         |                                 |           |           |                      |
| Cash                               | \$63,263                | \$70,038 | \$63,964 | \$61,021                | (\$26,598) | (\$27,526) |                           |      |      | \$843           | \$843 | \$3,153 | \$5,924                         | \$104,625 | \$110,300 |                      |
| Due From General Fund              | 1,619                   | 1,619    | 904      | 904                     | 27,564     | 27,564     |                           |      |      |                 |       |         |                                 | 30,087    | 30,087    |                      |
| Due From State                     | 5,400                   |          |          | 2,117                   |            |            |                           |      |      |                 |       |         |                                 | 0         | 0         | 7,517                |
| Taxes Receivable                   |                         |          | 4,314    | 1,403                   |            |            |                           |      |      |                 |       |         |                                 | 4,314     | 1,403     |                      |
| Total Assets                       | 64,882                  | 77,057   | 69,182   | 65,445                  | 966        | 38         |                           |      |      | 843             | 843   | 3,153   | 5,924                           | 139,026   | 149,307   |                      |
| <b>LIABILITIES AND FUND EQUITY</b> |                         |          |          |                         |            |            |                           |      |      |                 |       |         |                                 |           |           |                      |
| <b>LIABILITIES:</b>                |                         |          |          |                         |            |            |                           |      |      |                 |       |         |                                 |           |           |                      |
| Accounts Payable                   | 0                       | 0        | 0        | 0                       | 0          | 0          | 0                         | 0    | 0    | 0               | 0     | 0       | 0                               | 0         | 0         | 0                    |
| Due to Other Funds                 | 0                       | 0        | 4,314    | 1,403                   | 0          | 0          | 0                         | 0    | 0    | 0               | 0     | 0       | 0                               | 4,314     | 1,403     |                      |
| Deferred Taxes                     |                         |          |          |                         |            |            |                           |      |      |                 |       |         |                                 |           |           |                      |
| Total Liabilities                  | 0                       | 0        | 4,314    | 1,403                   | 0          | 0          | 0                         | 0    | 0    | 0               | 0     | 0       | 0                               | 4,314     | 1,403     |                      |
| <b>FUND EQUITY:</b>                |                         |          |          |                         |            |            |                           |      |      |                 |       |         |                                 |           |           |                      |
| Fund Balance:                      |                         |          |          |                         |            |            |                           |      |      |                 |       |         |                                 |           |           |                      |
| Unreserved                         | 64,882                  | 77,057   | 64,868   | 64,042                  | 966        | 38         |                           |      |      | 843             | 843   | 3,153   | 5,924                           | 134,712   | 147,904   |                      |
| Total Fund Equity                  | 64,882                  | 77,057   | 64,868   | 64,042                  | 966        | 38         |                           |      |      | 843             | 843   | 3,153   | 5,924                           | 134,712   | 147,904   |                      |
| Total Liabilities and Fund Equity  | \$64,882                | \$77,057 | \$69,182 | \$65,445                | \$966      | \$38       |                           |      |      | \$843           | \$843 | \$3,153 | \$5,924                         | \$139,026 | \$149,307 |                      |

The footnotes are an integral part of these Financial Statements.

VILLAGE OF ELBERTA, MICHIGAN  
Combining Statement of Revenues, Expenditures and Changes in Fund Balance  
All Special Revenue Funds  
For the Year Ended February 29, 2003 & 2004

|                                     | Major Street Fund |                 | Local Street Fund |                 | Liquor Control Fund |                 | Library Fund |              | Parks and Recreation Fund |                | Park Fund       |                 | Total (Memo Only) |                  |
|-------------------------------------|-------------------|-----------------|-------------------|-----------------|---------------------|-----------------|--------------|--------------|---------------------------|----------------|-----------------|-----------------|-------------------|------------------|
|                                     | 2003              | 2004            | 2003              | 2004            | 2003                | 2004            | 2003         | 2004         | 2003                      | 2004           | 2003            | 2004            | 2003              | 2004             |
| <b>REVENUES</b>                     |                   |                 |                   |                 |                     |                 |              |              |                           |                |                 |                 |                   |                  |
| State Shared                        | \$19,310          | \$28,060        | \$12,225          | \$14,760        | \$13,031            | \$4,000         | \$0          | \$0          |                           |                |                 |                 | \$44,566          | \$46,820         |
| State Aid                           |                   |                 |                   |                 |                     |                 |              |              |                           |                |                 |                 | 0                 | 0                |
| Fair Proceeds                       | 4                 | 1               | 3                 | 1               | 51                  | 0               | 0            | 0            | 3,163                     | 4,314          |                 |                 | 3,163             | 4,314            |
| Interest                            |                   |                 |                   |                 |                     |                 | 0            | 0            | 0                         | 1,371          | 360             | 300             | 418               | 1,673            |
| Other                               |                   |                 |                   |                 |                     |                 | 0            | 0            |                           |                | 50              | 650             | 50                | 650              |
| Taxes                               |                   |                 | 25,117            | 24,896          |                     |                 | 0            | 0            |                           |                |                 |                 | 25,117            | 24,896           |
| <b>Total Revenues</b>               | <b>19,314</b>     | <b>28,061</b>   | <b>37,345</b>     | <b>39,657</b>   | <b>13,082</b>       | <b>4,000</b>    | <b>0</b>     | <b>0</b>     | <b>3,163</b>              | <b>5,685</b>   | <b>410</b>      | <b>950</b>      | <b>73,314</b>     | <b>78,353</b>    |
| <b>EXPENDITURES</b>                 |                   |                 |                   |                 |                     |                 |              |              |                           |                |                 |                 |                   |                  |
| Public Safety/Routine Maintenance   | 2,967             | 3,078           | 2,653             | 2,561           |                     |                 |              |              |                           |                |                 |                 | 5,620             | 5,639            |
| Public Safety/Winter Maintenance    | 7,675             | 10,283          | 7,885             | 9,345           |                     |                 |              |              |                           | 132            |                 |                 | 10,328            | 19,760           |
| Other Administration                | 2,128             | 2,525           | 2,809             | 2,521           |                     |                 | 0            | 0            | 357                       | 2,782          |                 |                 | 10,370            | 7,828            |
| Construction Improvements           |                   |                 |                   |                 |                     |                 |              |              | 48                        |                | 34,269          | 18,599          | 42,202            | 18,599           |
| Contracted Services                 |                   |                 |                   | 26,056          |                     |                 |              |              |                           |                |                 |                 | 2,809             | 26,056           |
| Law Enforcement                     |                   |                 |                   |                 | 28,362              | 21,728          |              |              |                           |                |                 |                 | 28,362            | 21,728           |
| Capital Outlay                      |                   |                 | 0                 | 0               |                     |                 |              |              | 0                         |                |                 |                 | 0                 | 0                |
| <b>Total Expenditures</b>           | <b>12,770</b>     | <b>15,886</b>   | <b>13,347</b>     | <b>40,483</b>   | <b>28,362</b>       | <b>21,728</b>   | <b>0</b>     | <b>0</b>     | <b>405</b>                | <b>2,914</b>   | <b>34,269</b>   | <b>18,599</b>   | <b>99,691</b>     | <b>99,610</b>    |
| <b>EXCESS REVENUES OVER (UNDER)</b> |                   |                 |                   |                 |                     |                 |              |              |                           |                |                 |                 |                   |                  |
| <b>EXPENDITURES</b>                 | <b>6,544</b>      | <b>12,175</b>   | <b>23,998</b>     | <b>(826)</b>    | <b>(15,280)</b>     | <b>(17,728)</b> | <b>0</b>     | <b>0</b>     | <b>2,758</b>              | <b>2,771</b>   | <b>(33,859)</b> | <b>(17,649)</b> | <b>(26,377)</b>   | <b>(21,257)</b>  |
| <b>FUND BALANCE, BEGINNING</b>      | <b>58,338</b>     | <b>64,882</b>   | <b>40,870</b>     | <b>64,868</b>   | <b>246</b>          | <b>966</b>      | <b>843</b>   | <b>843</b>   | <b>395</b>                | <b>3,153</b>   | <b>0</b>        | <b>0</b>        | <b>100,692</b>    | <b>134,712</b>   |
| Transfer In                         |                   |                 |                   | 0               | 16,000              | 16,800          |              |              |                           |                | 33,859          | 17,649          | 16,000            | 34,449           |
| <b>FUND BALANCE, ENDING</b>         | <b>\$64,882</b>   | <b>\$77,057</b> | <b>\$64,868</b>   | <b>\$64,042</b> | <b>\$966</b>        | <b>\$38</b>     | <b>\$843</b> | <b>\$843</b> | <b>\$3,153</b>            | <b>\$5,924</b> | <b>\$0</b>      | <b>\$0</b>      | <b>\$134,712</b>  | <b>\$147,904</b> |

VILLAGE OF ELBERTA, MICHIGAN  
Combining Balance Sheet  
All Enterprise Funds  
For the Years Ended February 28, 2003 & February 29, 2004

|  | Sewer Fund       |                  | Water Fund       |                  | Rubbish Fund |            | Marina Fund     |                  | Total (Memo Only)  |                    |
|--|------------------|------------------|------------------|------------------|--------------|------------|-----------------|------------------|--------------------|--------------------|
|  | 2003             | 2004             | 2003             | 2004             | 2003         | 2004       | 2003            | 2004             | 2003               | 2004               |
| <b>ASSETS</b>                            |                  |                  |                  |                  |              |            |                 |                  |                    |                    |
| Cash                                     | \$226,520        | \$255,188        | \$117,627        | \$110,379        | (\$6,853)    | (\$7,438)  | \$92,544        | \$104,085        | \$429,838          | 462,214            |
| Account Receivable - Trade               | 1,797            | 1,797            | 1,196            | 549              | 0            | 0          | 0               | 0                | 2,993              | 2,346              |
| Account Receivable - Grant               |                  |                  | 0                | 0                |              |            |                 |                  | 0                  | 0                  |
| Due From Other Funds                     | 11,118           | 11,118           | 5,000            | 5,000            | 7,440        | 7,440      |                 |                  | 23,558             | 23,558             |
| Taxes Receivable                         | 1,693            | 4,355            |                  |                  |              |            |                 |                  | 1,693              | 4,355              |
| Property, Plant & Equipment              | 805,907          | 805,906          | 537,127          | 537,127          | 75,676       | 75,676     | 75,676          | 75,676           | 1,418,710          | 1,418,709          |
| Less: Accumulated Depreciation           | (243,523)        | (260,370)        | (98,133)         | (108,885)        | (75,676)     | (75,676)   |                 |                  | (417,332)          | (444,931)          |
| <b>Total Assets</b>                      | <b>803,512</b>   | <b>817,995</b>   | <b>562,817</b>   | <b>544,170</b>   | <b>587</b>   | <b>2</b>   | <b>92,544</b>   | <b>104,085</b>   | <b>1,459,461</b>   | <b>1,466,252</b>   |
| <b>LIABILITIES AND FUND EQUITY</b>       |                  |                  |                  |                  |              |            |                 |                  |                    |                    |
| <b>LIABILITIES:</b>                      |                  |                  |                  |                  |              |            |                 |                  |                    |                    |
| Accounts Payable                         | 168              | 168              | 514              | 514              | 0            | 0          | 7               | 7                | 690                | 689                |
| Deferred Revenue                         | 1,312            | (26)             |                  |                  |              |            |                 |                  | 1,312              | (26)               |
| Security Deposits                        |                  |                  | 0                | 0                |              |            |                 |                  | 0                  | 0                  |
| Accrued Interest Payable                 | 3,855            | 2,801            |                  |                  |              |            |                 |                  | 3,855              | 2,801              |
| Due To Other Funds                       | 2,267            | 2,267            | 432              | 432              |              |            |                 |                  | 2,699              | 2,699              |
| Bonds Payable                            | 142,000          | 140,000          |                  |                  |              |            |                 |                  | 142,000            | 140,000            |
| <b>Total Liabilities</b>                 | <b>149,602</b>   | <b>145,210</b>   | <b>946</b>       | <b>946</b>       | <b>0</b>     | <b>0</b>   | <b>7</b>        | <b>7</b>         | <b>150,556</b>     | <b>146,163</b>     |
| <b>FUND EQUITY:</b>                      |                  |                  |                  |                  |              |            |                 |                  |                    |                    |
| Retained Earnings                        |                  |                  |                  |                  |              |            |                 |                  |                    |                    |
| Unreserved                               | 620,843          | 639,718          | 561,871          | 543,224          | 587          | 2          | 92,537          | 104,078          | 1,275,838          | 1,287,022          |
| Reserved                                 | 33,067           | 33,067           |                  |                  |              |            |                 |                  | 33,067             | 33,067             |
| <b>Total Fund Equity</b>                 | <b>653,910</b>   | <b>672,785</b>   | <b>561,871</b>   | <b>543,224</b>   | <b>587</b>   | <b>2</b>   | <b>92,537</b>   | <b>104,078</b>   | <b>1,308,905</b>   | <b>1,320,089</b>   |
| <b>Total Liabilities and Fund Equity</b> | <b>\$803,512</b> | <b>\$817,995</b> | <b>\$562,817</b> | <b>\$544,170</b> | <b>\$587</b> | <b>\$2</b> | <b>\$92,544</b> | <b>\$104,085</b> | <b>\$1,459,461</b> | <b>\$1,466,252</b> |

The footnotes are an integral part of these Financial Statements.

VILLAGE OF ELBERTA, MICHIGAN  
Combining Comparative Statement of Revenues, Expenses and Changes in Retained Earnings  
All Enterprise Funds  
For the Years Ended February 28, 2003 & February 29, 2004

|  | Sewer<br>Fund    | 2004             | 2003             | Water<br>Fund    | 2004           | 2003           | Rubbish<br>Fund | 2004             | 2003               | Marina<br>Fund     | 2004 | 2003 | Total<br>(Memo Only) |
|--|------------------|------------------|------------------|------------------|----------------|----------------|-----------------|------------------|--------------------|--------------------|------|------|----------------------|
| 2003   | 2004             | 2003             | 2004             | 2003             | 2004           | 2003           | 2004            | 2003             | 2004               | 2003               | 2004 | 2003 | 2004                 |
| <b>OPERATING REVENUES</b>                    |                  |                  |                  |                  |                |                |                 |                  |                    |                    |      |      |                      |
| Charges for Service                          | \$111,793        | \$137,826        | \$31,913         | \$31,189         | \$11,760       | \$10,637       | \$43,995        | \$12,910         | \$199,461          | \$192,562          |      |      |                      |
| Tax Assessments                              | 16,463           | 14,409           | 0                | 0                | 0              | 0              | 0               | 0                | 16,463             | 14,409             |      |      |                      |
| Refunds and Other                            | 0                | 2,906            | 0                | 0                | 472            | 755            | 0               | 0                | 472                | 3,661              |      |      |                      |
| <b>Total Revenues</b>                        | <b>128,256</b>   | <b>155,141</b>   | <b>31,913</b>    | <b>31,189</b>    | <b>12,232</b>  | <b>11,392</b>  | <b>43,995</b>   | <b>12,910</b>    | <b>216,396</b>     | <b>210,632</b>     |      |      |                      |
| <b>OPERATING EXPENDITURES</b>                |                  |                  |                  |                  |                |                |                 |                  |                    |                    |      |      |                      |
| Operations and Maintenance                   | 124,252          | 105,337          | 21,097           | 29,576           | 13,985         | 12,397         | 15,191          | 1,371            | 174,525            | 148,681            |      |      |                      |
| Interest Expense                             | 0                | 0                |                  |                  |                |                |                 |                  | 0                  | 0                  |      |      |                      |
| Administration                               | 5,271            | 6,674            | 4,841            | 9,519            | 4,166          | 4,281          | 0               | 0                | 14,278             | 20,474             |      |      |                      |
| Depreciation and Amortization                | 16,847           | 16,847           | 10,743           | 10,743           | 0              | 0              | 0               | 0                | 27,590             | 27,590             |      |      |                      |
| <b>Total Expenditures</b>                    | <b>146,370</b>   | <b>128,858</b>   | <b>36,681</b>    | <b>49,838</b>    | <b>18,151</b>  | <b>16,678</b>  | <b>15,191</b>   | <b>1,371</b>     | <b>216,393</b>     | <b>196,745</b>     |      |      |                      |
| <b>OPERATING INCOME (LOSS)</b>               | <b>(18,114)</b>  | <b>26,283</b>    | <b>(4,768)</b>   | <b>(18,649)</b>  | <b>(5,919)</b> | <b>(5,286)</b> | <b>28,804</b>   | <b>11,539</b>    | <b>3</b>           | <b>13,887</b>      |      |      |                      |
| <b>NON-OPERATING INCOME (EXPENSE)</b>        |                  |                  |                  |                  |                |                |                 |                  |                    |                    |      |      |                      |
| Interest on Investments                      | 180              | 1,112            | 120              | 2                | 6              | 1              | 136             | 2                | 442                | 1,117              |      |      |                      |
| Proceeds from Grant                          |                  |                  |                  |                  |                |                |                 |                  | 0                  | 0                  |      |      |                      |
| Transfers In (Out)                           | 0                | 0                |                  |                  | 6,500          | 4,700          |                 |                  | 6,500              | 4,700              |      |      |                      |
| Bond Interest and Fees                       | (8,760)          | (8,520)          |                  |                  |                |                |                 |                  | (8,760)            | (8,520)            |      |      |                      |
| <b>Total Non-Operating Income (Expenses)</b> | <b>(8,580)</b>   | <b>(7,408)</b>   | <b>120</b>       | <b>2</b>         | <b>6,506</b>   | <b>4,701</b>   | <b>136</b>      | <b>2</b>         | <b>(1,818)</b>     | <b>(2,703)</b>     |      |      |                      |
| <b>NET INCOME (LOSS)</b>                     | <b>(26,694)</b>  | <b>18,875</b>    | <b>(4,648)</b>   | <b>(18,647)</b>  | <b>587</b>     | <b>(585)</b>   | <b>28,940</b>   | <b>11,541</b>    | <b>(1,815)</b>     | <b>11,184</b>      |      |      |                      |
| <b>RETAINED EARNINGS, BEGINNING</b>          | <b>647,537</b>   | <b>620,843</b>   | <b>566,519</b>   | <b>561,871</b>   | <b>0</b>       | <b>587</b>     | <b>63,597</b>   | <b>92,537</b>    | <b>1,277,653</b>   | <b>1,275,838</b>   |      |      |                      |
| <b>RETAINED EARNINGS, ENDING</b>             | <b>\$620,843</b> | <b>\$639,718</b> | <b>\$561,871</b> | <b>\$543,224</b> | <b>\$587</b>   | <b>\$2</b>     | <b>\$92,537</b> | <b>\$104,078</b> | <b>\$1,275,838</b> | <b>\$1,287,022</b> |      |      |                      |

The footnotes are an integral part of these Financial Statements.

VILLAGE OF ELBERTA, MICHIGAN  
Combining Statement of Cash Flows  
All Enterprise Funds  
For the Year Ended February 29, 2004

|  | Sewer<br>Fund | Water<br>Fund | Rubbish<br>Fund | Marina<br>Fund | Total<br>(Memo Only) |
|--|---------------|---------------|-----------------|----------------|----------------------|
| <b>CASH FLOWS FROM OPERATING ACTIVITIES</b>  |               |               |                 |                |                      |
| Net Operating Income   | \$26,283      | (\$18,649)    | (\$5,286)       | \$11,539       | \$13,887             |
| Adjustment to Reconcile Net Operating Income to<br>Net Cash Provided by Operating Activities |               |               |                 |                |                      |
| Depreciation   | 16,847        | 10,743        | 0               | 0              | \$27,590             |
| (Increase) Decrease in Account Receivable - Trade  | 0             | 647           |                 |                | \$647                |
| (Increase) Decrease in Grant Receivable  |               | 0             |                 |                | \$0                  |
| (Increase) Decrease in Property Taxes Receivable   | (2,662)       |               |                 |                | (\$2,662)            |
| (Increase) Decrease in Due From Other Funds  | 0             |               | 0               |                | \$0                  |
| Increase (Decrease) in Deferred Revenue  | (1,338)       |               |                 |                | (\$1,338)            |
| Increase (Decrease) in Accounts Payable  | 0             | 0             | 0               | 0              | \$0                  |
| Increase (Decrease) In Due To Other Funds  | 0             | 0             |                 |                | \$0                  |
| Increase ( Decrease) in Accrued Interest Payable   | (1,054)       |               |                 |                | (\$1,054)            |
| Net Cash Provided by Operating Activities  | 38,076        | (7,259)       | (5,286)         | 11,539         | 37,070               |
| <b>CASH FLOWS FROM INVESTING ACTIVITIES</b>  |               |               |                 |                |                      |
| Interest on Investments  | (7,408)       | 2             | 1               | 2              | (\$7,403)            |
| Transfers in   |               |               | 4,700           |                | \$4,700              |
| Acquisition of Capital Assets  | 0             |               |                 |                | \$0                  |
| Net Cash Provided by Investing Activities  | (7,408)       | 2             | 4,701           | 2              | (2,703)              |
| <b>CASH FLOWS FROM FINANCING ACTIVITIES</b>  |               |               |                 |                |                      |
| Interest paid on Long-Term Debt  | 0             | 0             | 0               | 0              | \$0                  |
| Principal paid on Long-Term Debt   | 2,000         |               |                 |                | \$2,000              |
| Change in Reserved Retained Earnings   | 0             | 0             |                 |                | \$0                  |
| Net Cash Used by Financing Activities  | 2,000         | 0             | 0               | 0              | 2,000                |
| TRANSFERS IN (OUT)   | 0             |               |                 |                | 0                    |
| NET INCREASE IN CASH AND EQUIVALENTS   | 32,668        | (7,257)       | (585)           | 11,541         | 36,367               |
| CASH AND EQUIVALENTS, BEGINNING  | 226,520       | 117,627       | (6,853)         | 92,544         | 429,838              |
| CASH AND EQUIVALENTS, ENDING   | \$259,188     | \$110,370     | (\$7,438)       | \$104,085      | \$466,205            |

The footnotes are an integral part of these Financial Statements.

VILLAGE OF ELBERTA  
Comparative Statement of Revenues, Expenditures and Changes in Fund Balance  
General Fund  
For the Year Ended February 28, 2003 & February 29, 2004

|                        | Original<br>Budget | Final<br>Budget | 2003<br>Actual | 2004      | Variance<br>Favorable<br>(Unfavorable) |
|------------------------|--------------------|-----------------|----------------|-----------|--|
| <u>Revenue</u>         |                    |                 |                |           |  |
| Current Property Taxes | \$63,000           | \$63,000        | \$64,885       | \$62,246  | (754)                                  |
| Specific Tax           | 0                  | 432             | 0              | 504       | 72                                     |
| Licenses and Permits   | 400                | 420             | 170            | 280       | (140)                                  |
| State Shared Revenues  | 60,000             | 63,288          | 60,990         | 61,948    | (1,340)                                |
| Insurance Paybacks     | 2,500              | 2,500           | 0              | 3,269     | 769                                    |
| Earned Interest        | 300                | 50              | 34             | 5         | (45)                                   |
| Rents and Royalties    | 15,600             | 23,000          | 18,496         | 22,059    | (941)                                  |
| Charges for Service    | 15,000             | 15,000          | 11,050         | 14,191    | (809)                                  |
| Woodlands              | 0                  | 0               | 0              | 0         | 0                                      |
| Contingency            | 0                  | 0               | 0              | 0         | 0                                      |
| Grant - MDEQ           | 0                  | 250,000         | 24,288         | 25,000    | (225,000)                              |
| DEQ                    | 0                  | 0               | 5,375          | 0         | 0                                      |
| Grants-DNR Trust Fund  | 28,500             | 28,500          | 24,348         |           | (28,500)                               |
| DNR State Grant        | 0                  | 0               | 31,455         | 0         | 0                                      |
| Vaunt-Courier          | 0                  | 0               | 0              | 0         | 0                                      |
| Foundation Grant       | 0                  | 0               | 0              | 0         | 0                                      |
| Park Escrow            | 0                  | 0               | 462            | 0         | 0                                      |
| Other Revenue          | 20,540             | 20,540          | 52,496         | 19,008    | (1,532)                                |
| Insurance Claim        | 0                  | 0               | 0              | 0         | 0                                      |
| Interest CDs           | 5,000              | 5,000           | 5,398          | 1,638     | (3,362)                                |
| Total Revenues         | \$210,840          | \$471,730       | \$299,447      | \$210,148 | (261,582)                              |

Expenditure

Legislative

Township Board:

|                            |          |           |           |           |           |
|----------------------------|----------|-----------|-----------|-----------|-----------|
| Salaries and Wages         | \$4,600  | \$4,600   | \$4,069   | \$4,046   | 554       |
| Mileage                    | 0        | 0         | 0         | 0         | 0         |
| Dues                       | 700      | 700       | 699       | 689       | 11        |
| Professional Fees          | 18,600   | 19,968    | 39,727    | 13,490    | 6,478     |
| Zoning, Planning           | 1,100    | 1,100     | 914       | 932       | 168       |
| Payroll Tax                | 7,500    | 8,094     | 8,015     | 8,094     | 0         |
| Insurance                  | 38,500   | 44,001    | 42,002    | 42,470    | 1,531     |
| MDOT Payment               | 0        | 0         | 0         | 0         | 0         |
| Interest Expense           | 0        | 0         | 0         | 0         | 0         |
| Fkft/Eberta Athletic Assoc | 500      | 500       | 500       | 500       | 0         |
| Fkft Comm Assoc            | 500      | 500       | 500       | 0         | 500       |
| Christmas Promo            | 400      | 400       | 2,115     | 221       | 179       |
| Other Functions            | 3,000    | 3,000     | 1,500     | 0         | 3,000     |
| Elberta Library            | 1,500    | 2,030     | 2,281     | 2,030     | 0         |
| Misc                       | 20,000   | 21,453    | 48,265    | 21,453    | 0         |
| Parks Maint                | 500      | 500       | 992       | 491       | 9         |
| Brownfield Redev           | 0        | 0         | 0         | 0         | 0         |
| Specific Tax               | 0        | 423       | 0         | 423       | 0         |
| DEQ Grants                 | 0        | 0         | 44,863    | 0         | 0         |
| MDOT Life Saving           | 0        | 0         | 2,387     | 0         | 0         |
| DNR Grant - Phase II       | 0        | 0         | 47,684    | 131,867   | (131,867) |
| DNR Grant - Phase II       | 0        | 0         | 206,886   | 0         | 0         |
| TEA 21 Grant               | 0        | 250,000   | 0         | 0         | 250,000   |
| Park Escrow                | 0        | 0         | 0         | 0         | 0         |
| Printing                   | 2,000    | 2,000     | 1,396     | 599       | 1,401     |
| Total Township Board       | \$99,400 | \$359,269 | \$454,795 | \$227,305 | 131,964   |



VILLAGE OF ELBERTA  
Comparative Statement of Revenues, Expenditures and Changes in Fund Balance  
General Fund  
For the Year Ended February 28, 2003 & February 29, 2004

|                           | Original<br>Budget | Final<br>Budget | 2003<br>Actual | 2004     | Variance<br>Favorable<br>(Unfavorable) |
|---------------------------|--------------------|-----------------|----------------|----------|--|
| General Government:       |                    |                 |                |          |  |
| Elections:                |                    |                 |                |          |  |
| Salaries and Wages        | \$0                | \$0             | \$3            | \$0      | 0                                      |
| Miscellaneous             | 200                | 200             | 82             | 200      | 0                                      |
| Printing and Supplies     | 0                  | 0               | 0              | 0        | 0                                      |
| Total Elections           | 200                | 200             | 418            | 200      | 0                                      |
| Assessor:                 |                    |                 |                |          |  |
| Salaries and Wages        | 0                  | 0               | 0              | 0        | 0                                      |
| Total Assessor            | 0                  | 0               | 0              | 0        | 0                                      |
| Clerk:                    |                    |                 |                |          |  |
| Salaries and Wages        | 14,500             | 14,500          | 14,384         | 14,114   | 386                                    |
| Bond                      | 275                | 275             | 48             | 48       | 227                                    |
| Miscellaneous             | 50                 | 50              | 50             | 37       | 13                                     |
| Pension                   | 500                | 500             | 500            | 500      | 0                                      |
| Training                  | 200                | 200             | 0              | 20       | 180                                    |
| Mileage and Travel        | 100                | 100             | 52             | 38       | 62                                     |
| Total Clerk               | 15,625             | 15,625          | 15,034         | 14,757   | 868                                    |
| Treasurer:                |                    |                 |                |          |  |
| Salaries and Wages        | 10,000             | 10,000          | 9,373          | 9,632    | 368                                    |
| Bond                      | 275                | 275             | 48             | 48       | 227                                    |
| Education                 | 500                | 500             | 470            | 401      | 99                                     |
| Pension                   | 500                | 500             | 500            | 500      | 0                                      |
| Mileage and Travel        | 400                | 400             | 360            | 389      | 11                                     |
| Printing                  | 800                | 800             | 661            | 658      | 142                                    |
| Miscellaneous             | 50                 | 50              | 44             | -32      | 82                                     |
| Total Treasurer           | 12,525             | 12,525          | 11,456         | 11,596   | 929                                    |
| Community Building:       |                    |                 |                |          |  |
| Public Utilities          | 1,700              | 1,700           | 1,427          | 1,557    | 143                                    |
| Telephone                 | 0                  | 0               | 377            | 0        | 0                                      |
| Supplies                  | 100                | 100             | 33             | 13       | 87                                     |
| Insurance                 | 170                | 172             | 0              | 173      | (1)                                    |
| Maintenance               |                    |                 | 0              |          | 0                                      |
| Repairs and Maintenance   | 800                | 800             | 690            | 87       | 713                                    |
| Miscellaneous             | 0                  | 0               | 0              | 0        | 0                                      |
| Total Community Building  | 2,770              | 2,772           | 2,527          | 1,830    | 942                                    |
| Office:                   |                    |                 |                |          |  |
| Supplies                  | 3,000              | 3,000           | 2,465          | 2,826    | 174                                    |
| Public Utilities          | 1,200              | 1,200           | 834            | 851      | 349                                    |
| Telephone                 | 2,500              | 2,500           | 2,296          | 2,195    | 305                                    |
| G/W/S                     | 300                | 300             | 300            | 300      | 0                                      |
| Repairs and Maintenance   | 350                | 396             | 225            | 396      | 0                                      |
| Petty Cash Reimbursements | 0                  | 0               | 0              | 0        | 0                                      |
| Rent                      | 105                | 105             | 85             | 100      | 5                                      |
| Postage                   | 1,000              | 1,000           | 1,081          | 970      | 30                                     |
| Casual Labor              | 0                  | 0               | 0              |          | 0                                      |
| Equipment                 | 500                | 500             | 267            | 488      | 12                                     |
| Total Office              | 8,955              | 9,001           | 7,553          | 8,126    | 875                                    |
| Total General Government  | \$40,075           | \$40,123        | \$36,988       | \$36,509 | 3,614                                  |

VILLAGE OF ELBERTA  
Comparative Statement of Revenues, Expenditures and Changes in Fund Balance  
General Fund  
For the Year Ended February 28, 2003 & February 29, 2004

|                         | Original<br>Budget | Final<br>Budget | 2003<br>Actual | 2004    | Variance<br>Favorable<br>(Unfavorable) |
|-------------------------|--------------------|-----------------|----------------|---------|--|
| Public Safety:          |                    |                 |                |         |  |
| Fire Protection:        |                    |                 |                |         |  |
| Salaries and Wages      | \$0                | \$0             | \$0            | \$0     | 0                                      |
| Supplies                | 0                  | 0               | 0              | 0       | 0                                      |
| Insurance               | 750                | 750             | 0              | 173     | 577                                    |
| Contract Services       | 9,000              | 9,000           | 5,464          | 8,306   | 694                                    |
| Gas/Oil                 | 0                  | 0               | 0              | 0       | 0                                      |
| Hydrant Rental          | 1,000              | 1,020           | 1,020          | 1,020   | 0                                      |
| Miscellaneous           | 0                  | 0               | 0              | 0       | 0                                      |
| Public Utilities        | 1,200              | 1,200           | 471            | 1,067   | 133                                    |
| G/W/S                   | 300                | 300             | 955            | 300     | 0                                      |
| Training                | 0                  | 0               | 0              | 0       | 0                                      |
| Repairs and Maintenance | 100                | 100             | 0              | 0       | 100                                    |
| Capital Outlay          | 0                  | 0               | 0              | 0       | 0                                      |
| Total Fire Protection   | 12,350             | 12,370          | 7,910          | 10,866  | 1,504                                  |
| Garage                  |                    |                 |                |         |  |
| Labor                   | 55,000             | 56,371          | 55,368         | 56,371  | 0                                      |
| Retirement              | 1,000              | 1,000           | 1,000          | 1,000   | 0                                      |
| Supplies                | 3,000              | 3,000           | 2,986          | 2,729   | 271                                    |
| Gas/Oil                 | 2,300              | 2,300           | 1,340          | 2,220   | 80                                     |
| Casual Labor            | 2,000              | 2,000           | 1,676          | 1,152   | 848                                    |
| Mileage                 | 150                | 150             | 109            | 94      | 56                                     |
| Public Utilities        | 2,000              | 2,000           | 834            | 1,816   | 184                                    |
| G/W/S                   | 300                | 300             | 1,144          | 300     | 0                                      |
| Telephone               | 600                | 600             | 554            | 569     | 31                                     |
| Miscellaneous           | 500                | 500             | 240            | 482     | 18                                     |
| Repairs and Maintenance | 6,500              | 6,500           | 3,452          | 6,387   | 113                                    |
| Equipment               | 1,000              | 1,000           | 752            | 295     | 705                                    |
| Total Garage            | 74,350             | 75,721          | 69,455         | 73,415  | 2,306                                  |
| Total Public Safety     | 86,700             | 88,091          | 77,365         | 84,281  | 3,810                                  |
| Public Works:           |                    |                 |                |         |  |
| Street Lighting         | 9,000              | 9,000           | 8,744          | 8,767   | 233                                    |
| Xmas Lights             | 150                | 150             | 87             | 98      | 52                                     |
| Sidewalk Construction   | 0                  | 0               | 0              |         | 0                                      |
| Total Public Works      | \$9,150            | \$9,150         | \$8,831        | \$8,865 | 285                                    |

VILLAGE OF ELBERTA  
Comparative Statement of Revenues, Expenditures and Changes in Fund Balance  
General Fund  
For the Year Ended February 28, 2003 & February 29, 2004

|  | Original<br>Budget | Final<br>Budget | 2003<br>Actual | 2004      | Variance<br>Favorable<br>(Unfavorable) |
|--|--------------------|-----------------|----------------|-----------|--|
| Capital Outlay   |                    |                 |                |           |  |
| Payment of LTD   | \$0                | \$0             | \$0            | \$0       | 0                                      |
| Auto offset to LTD   | 0                  | 0               | 0              | 0         | 0                                      |
|  | 0                  | 0               | 0              | 0         | 0                                      |
| Total Expenditures   | 235,325            | 496,633         | 577,979        | 356,960   | 139,673                                |
| Excess Revenues Over (Under) Expenditure   | (24,485)           | (24,903)        | (278,532)      | (146,812) | (121,909)                              |
| Other Financing Sources (Uses)   |                    |                 |                |           |  |
| Transfers Out  | 0                  | 0               | 56,359         | 39,149    | (39,149)                               |
| Transfers In   | 24,485             | 24,903          | 0              | 0         | 24,903                                 |
| Excess Revenue and Other Financing Sources<br>Over (Under) Expenditures and Other Uses | 0                  | 0               | (334,891)      | (185,961) | (161,058)                              |
| Fund Balance - Beginning of Year   |                    |                 | 51,136         | (283,755) |  |
| Fund Balance - End of Year   |                    |                 | (283,755)      | (469,716) |  |

VILLAGE OF ELBERTA  
Balance Sheet  
Major Street  
For the Year Ended February 28, 2003 & February 29, 2004

|                                  | 2003            | 2004            |
|----------------------------------|-----------------|-----------------|
| ASSETS                           |                 |                 |
| Cash                             | \$63,263        | \$70,038        |
| Due From State                   |                 | 5,400           |
| Due From General Fund            | <u>1,619</u>    | <u>1,619</u>    |
| Total Assets                     | <u>64,882</u>   | <u>77,057</u>   |
| LIABILITIES & FUND BALANCE       |                 |                 |
| Liabilities                      | 0               | 0               |
| Fund Balance                     | <u>64,882</u>   | <u>77,057</u>   |
| Total Liabilities & Fund Balance | <u>\$64,882</u> | <u>\$77,057</u> |

The footnotes are an integral part of these Financial Statements.

VILLAGE OF ELBERTA  
Statement of Revenues, Expenditures, and Changes in Fund Balance  
Budget and Actual  
Major Street  
For the Year Ended February 29, 2003 & 2004

|   | 2003     | 2004     | Variance<br>Favorable<br>(Unfavorable) |
|---|----------|----------|--|
| REVENUES                                  | Budget   | Actual   |  |
| State Shared                              | \$19,126 | \$19,310 | \$28,060                               |
| Interest                                  | 10       | 4        | 1                                      |
| Contingency                               | 5,185    | 0        | 0                                      |
| Total Revenues                            | 24,321   | 19,314   | 28,061                                 |
| EXPENDITURES                              |          |          |  |
| Public Works:                             |          |          |  |
| Administration                            | 3,408    | 2,128    | 2,525                                  |
| Highways, Streets and Bridges:            |          |          |  |
| Routine Maintenance                       | 6,074    | 2,967    | 3,078                                  |
| Winter Maintenance                        | 10,430   | 7,675    | 10,283                                 |
| Capital Outlay                            | 0        | 0        | 0                                      |
| Total Expenditures                        | 19,912   | 12,770   | 15,886                                 |
| EXCESS REVENUES OVER (UNDER) EXPENDITURES | 4,409    | 6,544    | 12,175                                 |
| Other Financing Sources (Uses)            |          |          |  |
| Transfers In                              |          |          |  |
| Transfers Out                             |          |          |  |
| FUND BALANCE, BEGINNING OF YEAR           | 58,338   | 64,882   |  |
| FUND BALANCE, END OF YEAR                 | \$64,882 | \$77,057 |  |

The footnotes are an integral part of these Financial Statements.

VILLAGE OF ELBERTA  
Balance Sheet  
Local Street  
For the Year Ended February 29, 2003 & 2004

|                                  | 2003            | 2004            |
|----------------------------------|-----------------|-----------------|
| ASSETS                           |                 |                 |
| Cash                             | \$63,964        | \$61,021        |
| Due From General Fund            | 904             | 904             |
| Due From State                   | 0               | 2,117           |
| Taxes Receivable                 | <u>4,314</u>    | <u>1,403</u>    |
| Total Assets                     | <u>\$69,182</u> | <u>\$65,445</u> |
| LIABILITIES & FUND BALANCE       |                 |                 |
| Deferred Revenue                 | \$4,314         | \$1,403         |
| Fund Balance                     | <u>64,868</u>   | <u>64,042</u>   |
| Total Liabilities & Fund Balance | <u>\$69,182</u> | <u>\$65,445</u> |

The footnotes are an integral part of these Financial Statements.

VILLAGE OF ELBERTA  
Statement of Revenues, Expenditures, and Changes in Fund Balance  
Budget and Actual  
Local Street  
For the Year Ended February 29 2003 & 2004

|   | 2003            | 2004            | Variance                   |
|---|-----------------|-----------------|----------------------------|
|   | Budget          | Actual          | Favorable<br>(Unfavorable) |
| REVENUES                                  |                 |                 |                            |
| State Shared                              | \$13,458        | \$12,225        | \$14,760                   |
| Interest                                  | 10              | 3               | 1                          |
| Road Taxes                                | 26,000          | 25,117          | 24,896                     |
| Contingency                               | 0               | 0               | 0                          |
| Total Revenues                            | 39,468          | 37,345          | 39,657                     |
| EXPENDITURES                              |                 |                 |                            |
| Public Works:                             |                 |                 |                            |
| Administration                            | 3,408           | 2,809           | 2,521                      |
| Highways, Streets and Bridges:            |                 |                 |                            |
| Routine Maintenance                       | 4,600           | 2,653           | 2,561                      |
| Winter Maintenance                        | 9,491           | 7,885           | 9,345                      |
| Contracted Services                       | 26,056          | 0               | 26,056                     |
| Capital Outlay                            | 0               | 0               | 0                          |
| Total Expenditures                        | 43,555          | 13,347          | 40,483                     |
| EXCESS REVENUES OVER (UNDER) EXPENDITURES | (4,087)         | 23,998          | (826)                      |
| Other Financing Sources / (Uses)          |                 |                 |                            |
| Transfer in                               |                 |                 |                            |
| Transfer Out                              |                 |                 |                            |
| FUND BALANCE, BEGINNING OF YEAR           | 40,870          | 64,868          |                            |
| FUND BALANCE, END OF YEAR                 | <u>\$64,868</u> | <u>\$64,042</u> |                            |

The footnotes are an integral part of these Financial Statements.

VILLAGE OF ELBERTA  
Balance Sheet  
Liquor Control Fund  
For the Year Ended February 28, 2003 & February 29, 2004

|                            | 2003            | 2004            |
|----------------------------|-----------------|-----------------|
| ASSETS                     |                 |                 |
| Cash                       | (\$26,598)      | (\$27,526)      |
| Due From General Fund      | <u>\$27,564</u> | <u>\$27,564</u> |
| Total Assets               | <u>\$966</u>    | <u>\$38</u>     |
| LIABILITIES & FUND BALANCE |                 |                 |
| Fund Balance               | <u>\$966</u>    | <u>\$38</u>     |

The footnotes are an integral part of these Financial Statements.



VILLAGE OF ELBERTA  
Statement of Revenues, Expenditures, and Changes in Fund Balance  
Budget and Actual  
Liquor Control Fund  
For the Year Ended February 28, 2003 & February 29, 2004

|   | 2003     |          | 2004     | Variance<br>Favorable<br>(Unfavorable) |
|---|----------|----------|----------|--|
| REVENUES                                  | Budget   | Actual   |          |  |
| State Grant                               | \$1,000  | \$13,031 | \$4,000  | \$3,000                                |
| Interest                                  | 100      | 51       | 0        | (100)                                  |
| Contingency                               | 0        | 0        | 0        | 0                                      |
| Total Revenues                            | 1,100    | 13,082   | 4,000    | 2,900                                  |
| EXPENDITURES                              |          |          |          |  |
| Contracted Labor                          | 46,000   | 28,362   | 21,219   | 24,781                                 |
| Insurance                                 | 509      | 0        | 509      | 0                                      |
| Miscellaneous                             | 0        | 0        | 0        | 0                                      |
| Total Expenditures                        | 46,509   | 28,362   | 21,728   | 24,781                                 |
| EXCESS REVENUES OVER (UNDER) EXPENDITURES | (45,409) | (15,280) | (17,728) | (21,881)                               |
| Other Financing Sources/(Uses)            |          |          |          |  |
| Transfers In                              |          | 16,000   | 16,800   |  |
| Transfers Out                             |          | 0        | 0        |  |
| FUND BALANCE, BEGINNING OF YEAR           |          | 246      | 966      |  |
| FUND BALANCE, END OF YEAR                 |          | \$966    | \$38     |  |

The footnotes are an integral part of these Financial Statements.

PARKS AND RECREATION FUND  
THE VILLAGE OF ELBERTA  
Balance Sheet  
For the Year Ended February 29, 2003 & 2004  
Parks and Recreation Fund

|                                       | 2003           | 2004           |
|---------------------------------------|----------------|----------------|
| <b>ASSETS</b>                         |                |                |
| Cash                                  | <u>\$3,153</u> | <u>\$5,924</u> |
| Total Assets                          | <u>3,153</u>   | <u>5,924</u>   |
| <b>LIABILITIES &amp; FUND BALANCE</b> |                |                |
| Fund Balance                          | <u>3,153</u>   | <u>5,924</u>   |
| Total Liabilities and Fund Balance    | <u>\$3,153</u> | <u>\$5,924</u> |

The footnotes are an integral part of these Financial Statements.

PARKS AND RECREATION FUND  
THE VILLAGE OF ELBERTA  
Statement of Revenues, Expenditures, and Changes in Fund Balance  
For the Year Ended February 28, 2003 & February 29, 2004  
Parks and Recreation

|                                      | <u>2003</u>           | <u>2004</u>           |
|--------------------------------------|-----------------------|-----------------------|
| REVENUES                             |                       |                       |
| Art Fair                             | \$412                 | \$1,926               |
| Donations/Other                      | 2,751                 | 2,388                 |
| Farmers Market                       | 0                     | 1,371                 |
| Interest                             | <u>0</u>              | <u>0</u>              |
| Total Revenues                       | <u>3,163</u>          | <u>5,685</u>          |
| EXPENSES                             |                       |                       |
| Advertising                          | 0                     | 132                   |
| Supplies/Other                       | 357                   | 2,782                 |
| Treasurers Bond                      | 48                    | 0                     |
| Capital Outlay                       | <u>0</u>              | <u>0</u>              |
| Total Expenses                       | <u>405</u>            | <u>2,914</u>          |
| EXCESS REVENUE OVER (UNDER) EXPENSES | 2,758                 | 2,771                 |
| FUND BALANCE, BEGINNING OF YEAR      | <u>395</u>            | <u>3,153</u>          |
| FUND BALANCE, END OF YEAR            | <u><u>\$3,153</u></u> | <u><u>\$5,924</u></u> |

The footnotes are an integral part of these Financial Statements.

ELBERTA PUBLIC LIBRARY  
Balance Sheet  
For the Year Ended February 28, 2004

ASSETS

|              |                     |
|--------------|---------------------|
| Cash         | <u>\$843</u>        |
| Total Assets | <u><u>\$843</u></u> |

LIABILITIES & FUND BALANCE

|              |                     |
|--------------|---------------------|
| Fund Balance | <u><u>\$843</u></u> |
|--------------|---------------------|

VILLAGE OF ELBERTA  
Balance Sheet  
Park Fund  
For the Year Ended February 28, 2003 & 2004

|                                       | 2003       | 2004       |
|---------------------------------------|------------|------------|
| <b>ASSETS</b>                         |            |            |
| Cash                                  | \$0        | \$0        |
| Due From General Fund                 | <u>0</u>   | <u>0</u>   |
| Total Assets                          | <u>0</u>   | <u>0</u>   |
| <b>LIABILITIES &amp; FUND BALANCE</b> |            |            |
| Accounts Payable                      | 0          | 0          |
| Due to General Fund                   | 0          | 0          |
| Fund Balance                          | <u>0</u>   | <u>0</u>   |
| Total Liabilities and Fund Balance    | <u>\$0</u> | <u>\$0</u> |

VILLAGE OF ELBERTA  
Statement of Revenues, Expenditures, and Changes in Fund Balance  
Budget and Actual  
Park Fund  
For the Year Ended February 28, 2003 & 2004

|   | 2003     | 2004     | Variance                   |
|---|----------|----------|----------------------------|
|   | Budget   | Actual   | Favorable<br>(Unfavorable) |
| REVENUES                                  |          |          |                            |
| Park Escrow                               | \$0      | \$0      | \$0                        |
| Interest                                  | 500      | 360      | (200)                      |
| Contingency                               | 1,000    | 50       | (350)                      |
| Total Revenues                            | 1,500    | 410      | (550)                      |
| EXPENDITURES                              |          |          |                            |
| Labor                                     | 0        | 0        | 0                          |
| Contract Services                         | 10,000   | 25,716   | 193                        |
| Supplies                                  | 500      | 2,939    | 257                        |
| Utilities                                 | 4,485    | 4,838    | 3                          |
| Repairs/Maintenance                       | 4,102    | 776      | 35                         |
| Total Expenditures                        | 19,087   | 34,269   | 488                        |
| EXCESS REVENUES OVER (UNDER) EXPENDITURES | (17,587) | (33,859) | (1,038)                    |
| Other Financing Sources/(Uses)            |          |          |                            |
| Transfers In                              | 33,859   | 17,649   |                            |
| Transfers Out                             | 0        | 0        |                            |
| FUND BALANCE, BEGINNING OF YEAR           | 0        | 0        |                            |
| FUND BALANCE, END OF YEAR                 | \$0      | \$0      |                            |

VILLAGE OF ELBERTA, MICHIGAN  
Statement of Fixed Assets and Depreciation  
All Enterprise Funds  
For the Year Ended February 28, 2003

| FIXED ASSETS                  | ACCUMULATED DEPRECIATION |           |           |                     | NET FIXED ASSETS |
|-------------------------------|--------------------------|-----------|-----------|---------------------|------------------|
|                               | Balance<br>02/28/03      | Additions | Deletions | Balance<br>02/29/04 |                  |
| Water Fund                    |                          |           |           |                     |                  |
| Pump House                    | \$537,127                |           |           | \$537,127           |                  |
| Total Water Fund              | \$537,127                | \$0       | \$0       | \$537,127           | \$428,242        |
| Sewer Fund                    |                          |           |           |                     |                  |
| Treatment Plant               | 100,000                  |           |           | 100,000             |                  |
| Force Main and Sewer Line     | 705,908                  |           |           | 705,908             |                  |
| Total Sewer Fund              | \$805,908                | \$0       | \$0       | \$805,908           | \$545,538        |
| Marina Fund                   |                          |           |           |                     |                  |
| Deck Improvement              | 75,676                   | 0         |           | 75,676              |                  |
| Total Marina                  | \$75,676                 | \$0       |           | \$75,676            | \$0              |
| Total Fixed Assets            | \$1,418,711              | \$0       |           | \$1,418,711         | \$973,780        |
| Grant Portion of Depreciation |                          |           |           | \$8,860             |                  |

The footnotes are an integral part of these Financial Statements.

VILLAGE OF ELBERTA  
Statement of Fixed Assets and Depreciation  
All Governmental Funds

| Description | Assets              |           |           | Accumulated Depreciation |                     |                     |
|-------------|---------------------|-----------|-----------|--------------------------|---------------------|---------------------|
|             | Balance<br>02/28/03 | Additions | Deletions | Balance<br>02/29/04      | Balance<br>02/28/03 | Balance<br>02/29/04 |
| Real Estate | 246,101             |           |           | 246,101                  |                     | 0                   |
| Buildings   | 681,597             |           |           | 681,597                  | 154,976             | 171,283             |
| Equipment   | 132,300             |           |           | 132,300                  | 132,300             | 132,300             |
| Total       | 1,059,998           | 0         | 0         | 1,059,998                | 287,276             | 303,583             |

The footnotes are an integral part of these Financial Statements.